

Program Name: Brownfield Remediation		TAX CREDIT ANALYSIS			
Department: Economic Development		Contact Name & No.: Ann Perry 522-8006			
Date: October 2011					
Program Category: Redevelopment		Type: Tax Credit <u> X </u> Other (specify) _____			
Statutory Authority: 447.700 - 447.718, RSMo		Applicable Taxes: Income tax; Corporate Franchise tax; bank tax; insurance premium tax; other financial institutions tax			
Program Description and Eligibility Requirements: Provide an incentive to businesses/developers to redevelop property contaminated with hazardous wastes. Requirements are property abandoned or underutilized for at least three years. Real or suspected environmental contamination and must enter DNR's Voluntary Cleanup Program. Project must create 10 new jobs or retain 25 jobs.					
Explanation of How Award is Computed: Entitlement _____ Discretionary <u> X </u> Tax credit of up to 100% of eligible remediation costs. The program requires the project to enroll in DNR's Voluntary Cleanup Program. 75% upon payment of remediation costs; 25% upon issuance of DNR "clean letter". Must be the least amount necessary to cause the project to occur. Total benefits of project capped by state economic benefit of project.					
Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$ _____ None <u> X </u> Explanation of cap:					
Explanation of Expiration of Authority:					
Specific Provisions: (if applicable) Carry forward <u> 20 </u> years Carry Back _____ years Refundable _____ Sellable/Assignable <u> X </u> Additional Federal Deductions Available _____					
Comments on Specific Provisions:					
	FY 2009 ACTUAL	FY 2010 ACTUAL	FY 2011 ACTUAL	FY 2012 (current year)	FY 2013 (budget year)
Certificates Issued (#)	75	67	60	65	65
Projects (#)	25	35	27	25	25
Amount Authorized	\$10,527,923	\$21,710,015	\$5,734,035	\$15,000,000	\$15,000,000
Amount Issued	\$22,121,637	\$13,978,902	\$18,410,524	\$20,000,000	\$20,000,000
Amount Redeemed	\$29,194,784	\$17,590,273	\$11,432,109	\$20,000,000	\$20,000,000
EST. Amount Outstanding	N/A	N/A	\$26,970,511	N/A	N/A
EST. Amount Authorized but Unissued	N/A	N/A	\$26,385,849	N/A	N/A

Fiscal Year	Amount
FY 2009	\$23,481,361
FY 2010	\$10,527,923
FY 2011	\$5,734,035
FY 2012	\$15,000,000
FY 2013	\$15,000,000

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FY 2009	\$22,121,637
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FY 2009

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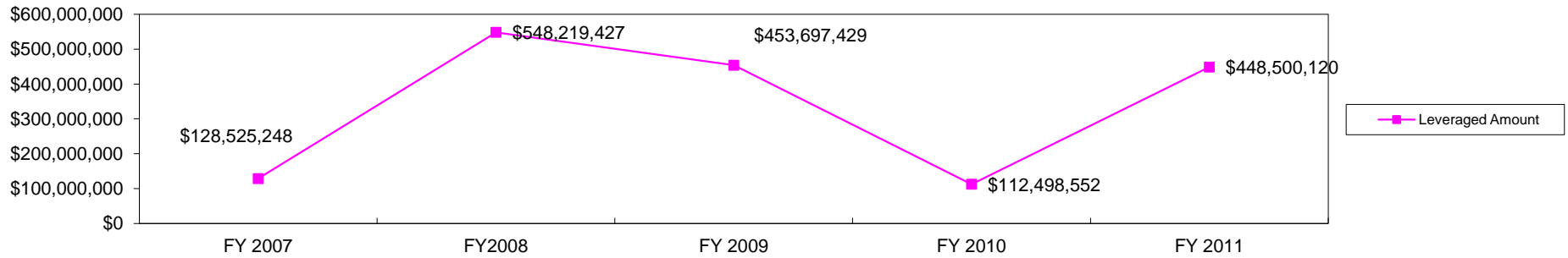
FY 2011

FY 2012

FY 2013

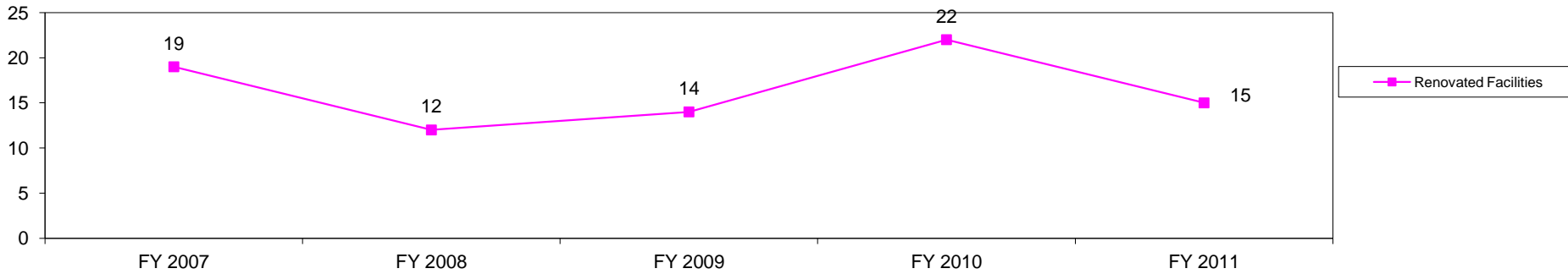
Program Name: Brownfield Remediation			TAX CREDIT ANALYSIS													
Comments on Historical and Projected Information:																
BENEFIT: COST ANALYSIS (includes only state revenue impacts)																
	FY 2011 ACTUAL	Other Fiscal Period 10 Years	Derivation of Benefits: Investment: (a) \$4,000,000 in acquisition costs, resulting in real estate fees of \$240,000 in 2011-2012, (b) \$12,711,278 in non-residential investment spending in 2011-2012, (c) \$290,000 in durable equipment in 2011-2012. Employment: (a) 65 jobs (0 displaced) in misc. manufacturing, prof services, management of companies, and admin support services at average wages in 2011-2020. Other Assumptions: (a) One FY2011 project received authorized credits previously in FY10, only additional job and investment activity was included for that project in this analysis, however the combined FY2010-2011 Benefit-Cost ratio for that project was 2.04. The multi-year fiscal Benefit-Cost Ratio for this project when other program incentives are included is 1.85. Incentives/Credits: (a) \$5,734,035 in Authorized Brownfield Remediation Credits, redeemed in 2011-2012. Impacts occur in the Statewide Region. Assumptions provided by DED. Estimated using REMI-PI+Statewide Model (remi-fiscal-PI+aug11). The multi-year fiscal Benefit-Cost Ratio is .37 when other program incentives are included.													
BENEFITS																
Direct Fiscal Benefits	\$247,353	\$1,735,839														
Indirect Fiscal Benefits	\$119,792	\$840,662														
Total	\$367,145	\$2,576,501														
COSTS																
Direct Fiscal Costs	\$2,867,018	\$5,685,739														
Indirect Fiscal Costs	\$0	\$0														
Total	\$2,867,018	\$5,685,739														
BENEFIT: COST	0.13	0.45														
Other Benefits: In FY 2011, every dollar of authorized program tax credits returns \$2.37 in new personal income totaling \$6.79 million \$4.79 in new value-added/GSP totaling \$13.73 million \$8.35 in new economic output totaling \$23.95 million Over 10 years, every dollar of authorized program tax credits returns \$10.97 in new person income totaling \$ 62.35 million \$20.66 in new value-added/GSP totaling \$117.48 million \$35.02 in new economic output totaling \$199.11 million																
PERFORMANCE MEASURE(S)																
<div>Jobs Created</div> <table><thead><tr><th>Fiscal Year</th><th>Jobs Created</th></tr></thead><tbody><tr><td>FY 2007</td><td>1,241</td></tr><tr><td>FY 2008</td><td>3,650</td></tr><tr><td>FY 2009</td><td>2,395</td></tr><tr><td>FY 2010</td><td>1,076</td></tr><tr><td>FY 2011</td><td>1,946</td></tr></tbody></table>					Fiscal Year	Jobs Created	FY 2007	1,241	FY 2008	3,650	FY 2009	2,395	FY 2010	1,076	FY 2011	1,946
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Comments on Performance Measure:																

Leverage Amount



Comments on Performance Measure:

Renovated Facilities



Comments on Performance Measure: